IMCOM-SE

National Security Personnel System

Briefing for Headquarters, Installation Management Command

28 Feb 07

IMCOM-SE

Agenda

- **Why and What is NSPS?**
- **Guiding Principles**
- **What Does Not Change?**
- **Conversion to NSPS**
- **Status of Overall System Implementation**
- **Spiral 1 Deployment Schedule**
- **Major Design Elements**
- **Preparation for NSPS Implementation**
- **Army NSPS Training Plan**
- **Websites**

Why NSPS—The Case for Action

- Advance DoD's critical national security mission
- Respond swiftly and decisively to national security threats and other missions
- Accelerate DoD's efforts to create a Total Force
- Retain and attract talented and motivated employees committed to excellence
- Compensate and reward employees based on performance and mission contribution
- Expand DoD's ability to hire more quickly and offer competitive salaries

What is NSPS?

- Performance management system that:
  - ✓ Values performance and contribution
  - ✓ Encourages communication
  - ✓ Supports broader skill development
  - ✓ Promotes excellence
- Streamlined and more responsive hiring process
- Flexibility in assigning work
- Preservation of employee benefits, rights and protections
- Preservation of rights of employees to join a union and bargain collectively
- Tools to shape a more effective and efficient workforce

DoD's Flexible and Responsive Civilian Personnel System

Guiding Principles

- Put mission first – support National Security goals and strategic objectives;
- Respect the individual – protect rights guaranteed by law;
- Value talent, performance, leadership and commitment to public service;
- Be flexible, understandable, credible, responsive, and executable;
- Ensure accountability at all levels;
- Balance HR interoperability with unique mission requirements; and
- Be competitive and cost effective.

What Does Not Change?

- Merit System Principles
- Veterans' Preference Principles
- Whistleblower protections
- Rules against prohibited personnel practices
- Anti-discrimination laws
- Fundamental due process
- Benefit laws on retirement, health, life, etc.
- Allowances and travel/subsistence expenses
- Training

Conversion to NSPS

- Employees will not lose pay upon conversion
- Conversion based on current position of record
- Employees eligible for a within-grade increase (WGI) will receive a pro-rated increase in salary
- Vast majority of DoD employees eligible for coverage
  - ✓ Initially applies to selected GS/GM and Acquisition Demo employees
  - ✓ Employees in special pay/classification systems (e.g., wage grade) phased in later
  - ✓ Certain categories excluded (e.g. intelligence personnel, Defense Labs listed in NSPS law)

Status of Overall NSPS Implementation

Where Were We?

- Congress gave DoD authority to create new civilian personnel system (FY 2004 NDAA)
- Final regulations published in Federal Register in October 2005
- Unions filed lawsuit seeking injunction in November 2005
- DoD agreed to delay implementation of labor relations program until February 2006 (pending legal ruling)
- February 2006 – US District Court enjoined implementation of labor relations, appeals, and adverse actions provisions
- April 2006 – DoD appealed ruling to US District Court of Appeals – hearing expected in Fall timeframe
- May 2006 – Unions filed counter appeal to DoD's appeal

AFGE v. Rumsfeld

- Feb 27, 2006, District Court concluded that:
  - DoD and OPM satisfied their statutory obligation to collaborate in developing the system
  - DoD lawfully had the authority to depart from Chapter 71 in establishing a new labor relations system
  - New rule fails to ensure that employees can bargain collectively
  - National Security Labor Relations Board does not meet Congress' requirement for "independent third party review" of labor relations decisions
  - Process for appealing adverse actions fails to provide employees with "fair treatment" as required by Congress
- District Court permanently enjoined adverse actions, appeals, and labor relations
- Department of Justice filed Notice of Appeal on April 17th

Spiral 1.1

- Started April 2006 – about 11,000 employees, 12 organizations
- Over 2500 trainers trained
- Successful conversion routine and payroll interface
- Pay pool management course deployed
- Conducting mock payouts
- Rating cycle through October 2006
- Performance payouts in January 2007
- Employees with a performance rating above unacceptable will receive the equivalent of the January 2007 pay increase received by General Schedule employees

30 April 2006 Implementation Spiral 1.1 Activities

Navy	4,238 *
Naval Sea Sys Cmd HQ and Program Executive Offices	2,152
Office of Civilian HR and HR Service Centers	1079
Joint Warfare Analysis Center	461
Strategic Sys Program Office	242
Human Performance Center	134
Cdr, U.S. Pacific Fleet	170

DoD	1,404 *
Defense Threat Reduction Ag	990
Defense Information Systems Ag	124
TRICARE Mgmt Activity	290

Army	2348 *
Civilian Human Resources Agency CPOCs/CPACs CONUS Only	

Air Force	**3,100 ***
M&RA	37
Elements of Tinker AFB	2,418
AF Audit Agency	645

***Only non-bargaining unit employees will be inclu**

Spiral 1.2

- Conversion window October 2006 to February 2007
- Organizations announced by DoD
- 66,000+ employees
- Rating cycle through September 30, 2007
- Performance payouts in January 2008

Spiral 1.2 Activities

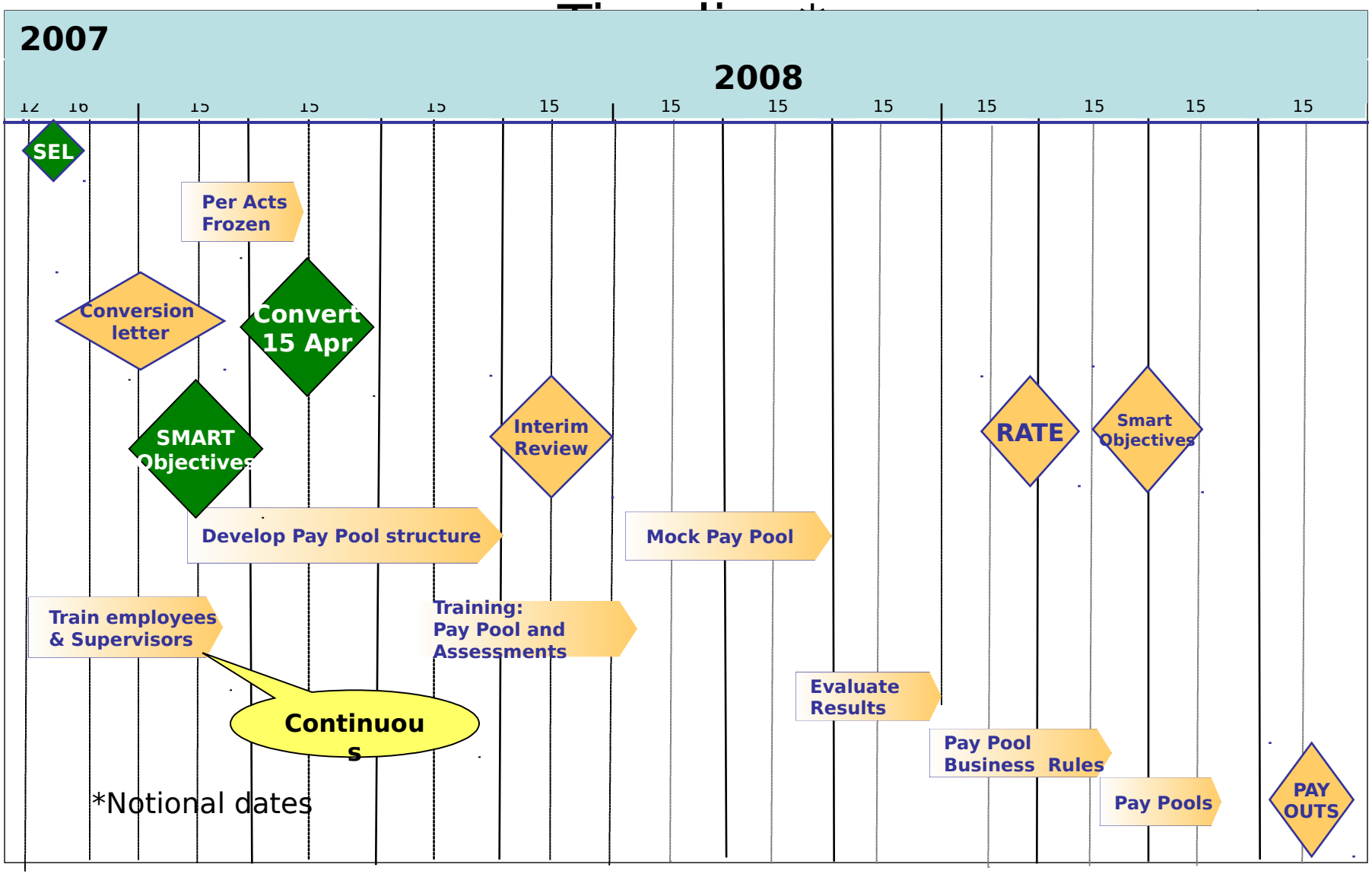
Army	15,001*
US Army Military District of Washington	67
US Army Medical Command (CHPPM)	539
Office of the Assistant Secretary of the Army	6,521
US Army Surface Distribution and Deployment Command	204
US Army Forces Command	492
US Army Materiel Command	2,431
US Army Corps of Engineers	4,497
US Army Training and Doctrine Command (AMSC)	86
US Army South	164

***Only non-bargaining unit employees included**

Spiral 1.3 Transition

- DoD announced on 1 February that approximately 37,000 non-bargaining unit employees, including 11,000 throughout IMCOM, will convert to the National Security Personnel System in March and April 2007 under Spiral 1.3.
- This conversion includes non-bargaining unit employees in pay plans GS and GM, with the exception of IMCOM employees in Korea.
- The announcement of Spiral 1.3 has been anticipated for some time and the NSPS Transition Team and Transition Managers at all levels of our organization are already laying the groundwork for a successful conversion.
- Performance plans in place by 15 Mar 07
- Performance period ends 31 Oct 07 with performance payouts in January 2008

IMCOM NSPS Implementation



Major Design Elements

- **Classification**
  - ✓ Jobs in broad “pay bands” based on work nature and competencies
- **Compensation**
  - ✓ Pay directly linked to performance and mission accomplishment
- **Performance Management**
  - ✓ Linked to agency mission
  - ✓ Job objectives and contributing factors influence rating
  - ✓ Meaningful distinctions in employee performance
  - ✓ Employee development with ongoing feedback and dialogue
- **Staffing**
  - ✓ Flexibility to respond to mission changes
  - ✓ The right person, in right place, at the right time
- **Workforce Shaping**
  - ✓ Emphasis on performance
- **Adverse Actions and Appeals / Labor Relations System**
  - ✓ Enjoined

NSPS Classification Terminology

Currently, there are:

Four NSPS career groups.

Career Group

Nine possible pay schedules within those groups.

Pay Schedule

One to four pay bands under each pay schedule.

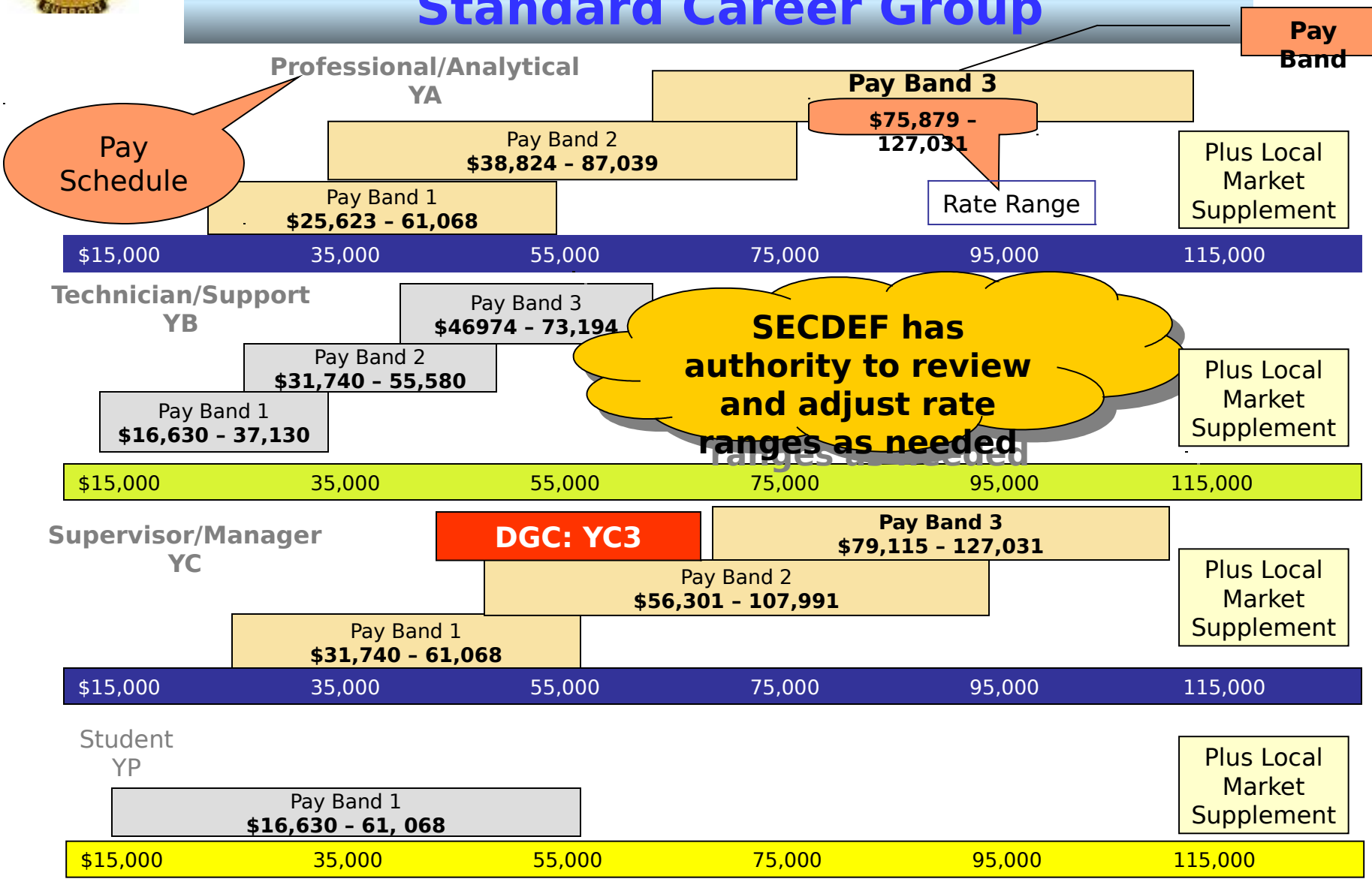
Pay Band

NSPS Classification Architecture

SCIENTIFIC & ENGINEERING CAREER GROUP • Professional • Technician/Support • Supervisor/Manager **8% of IMCOM workforce** 15% of DoD workforce	**INVESTIGATIVE & PROTECTIVE SERVICES CAREER GROUP** • Investigative • Fire Protection • Police/Guard • Supervisor/Manager **17% of IMCOM workforce** 4% of DoD workforce
MEDICAL CAREER GROUP • Physician/Dentist • Professional • Technician/Support • Supervisor/Manager **.07% of IMCOM workforce** 5% of DoD workforce	**STANDARD CAREER GROUP** • Professional/Analytical • Technician/Support • Supervisor/Manager **74% of IMCOM workforce** 76% of DoD workforce

National Security Personnel System Transition

Standard Career Group

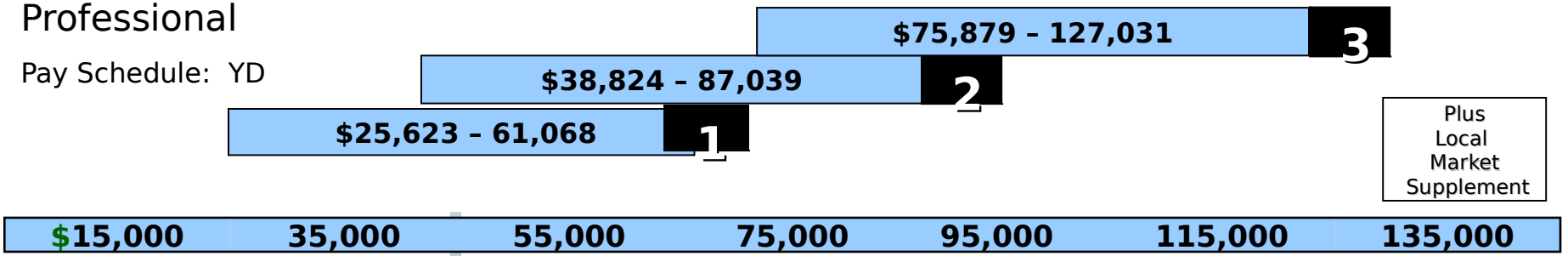


Authority: Schedule of minimum and maximu rates has been established under authority of paragraphs 9901.321 and 9901.33

Scientific & Engineering Career Group

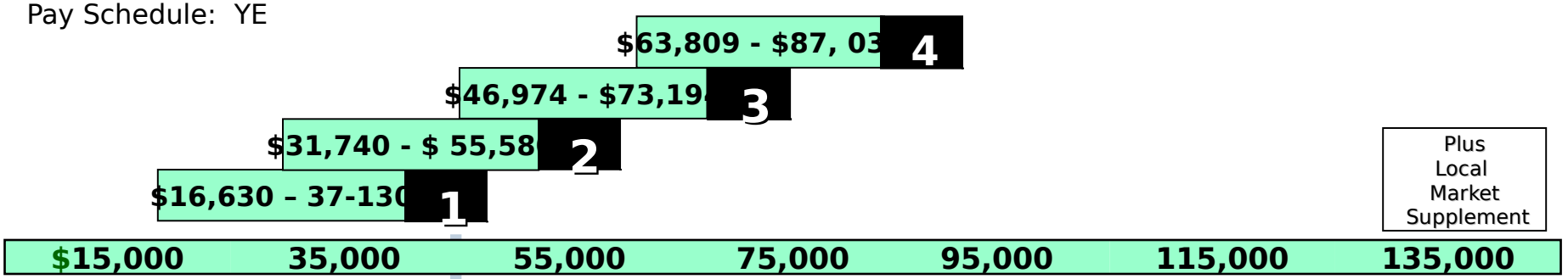
Professional

Pay Schedule: YD



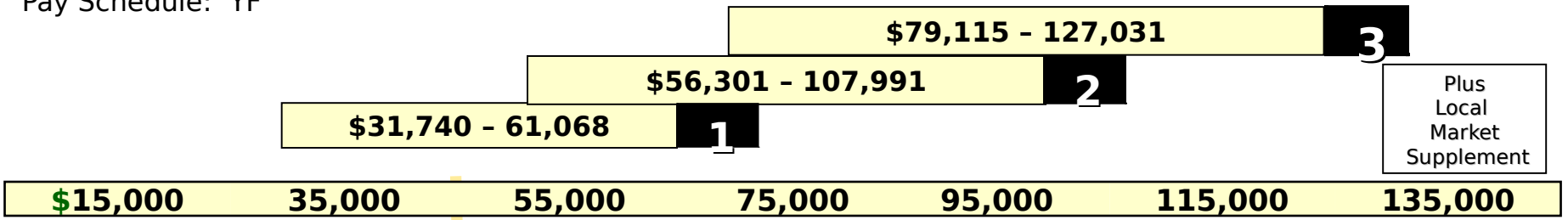
Technician/Support

Pay Schedule: YE



Supervisor/Manager

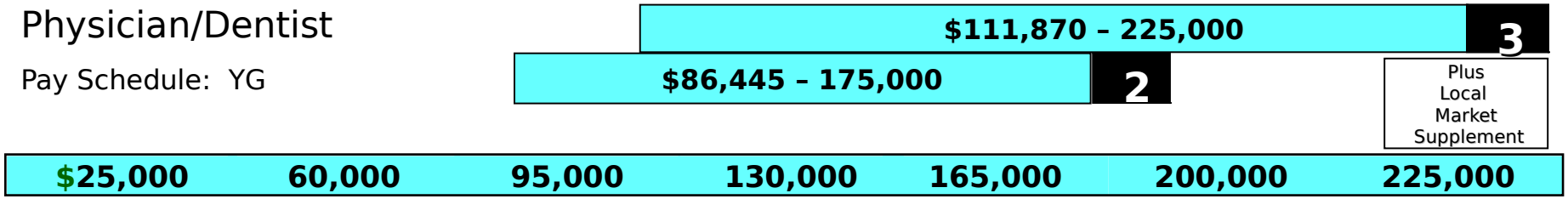
Pay Schedule: YF



Medical Career Group

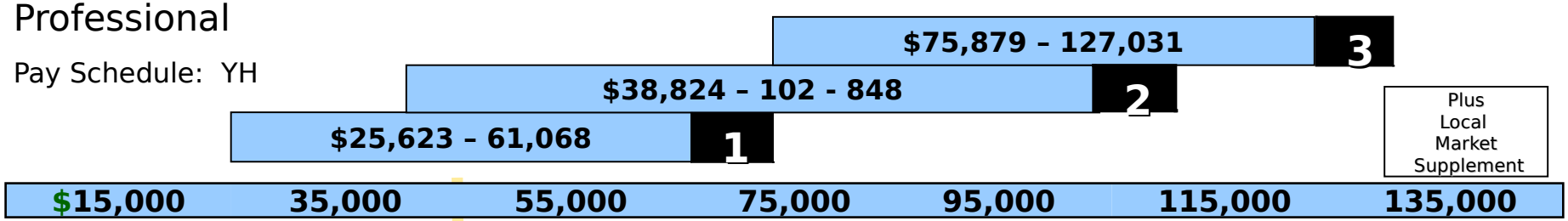
Physician/Dentist

Pay Schedule: YG



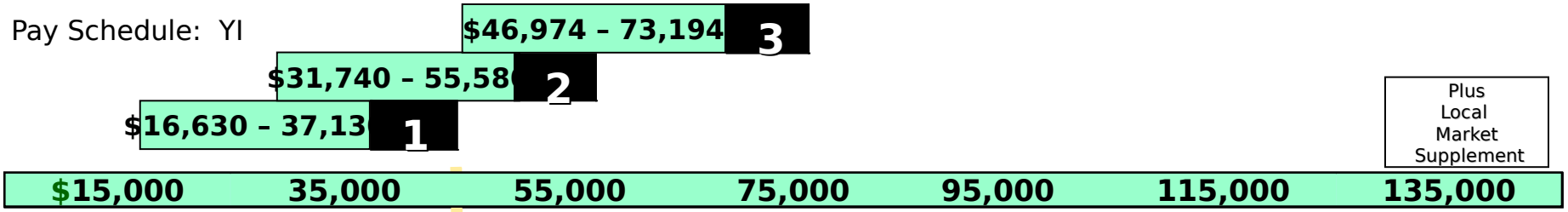
Professional

Pay Schedule: YH



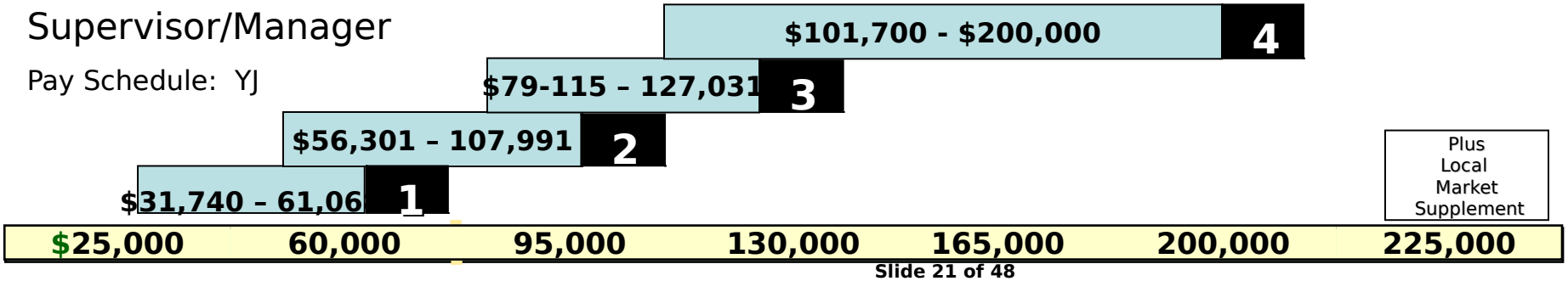
Technician/Support

Pay Schedule: YI



Supervisor/Manager

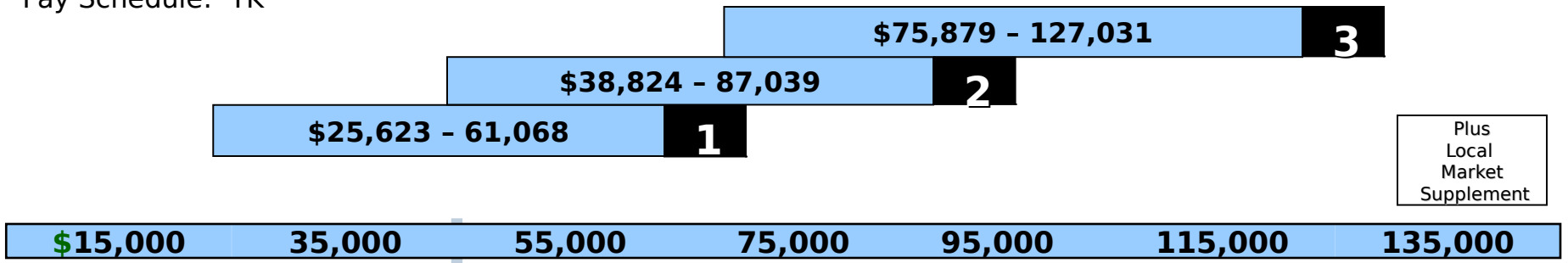
Pay Schedule: YJ



Investigative & Protective Services Career Group

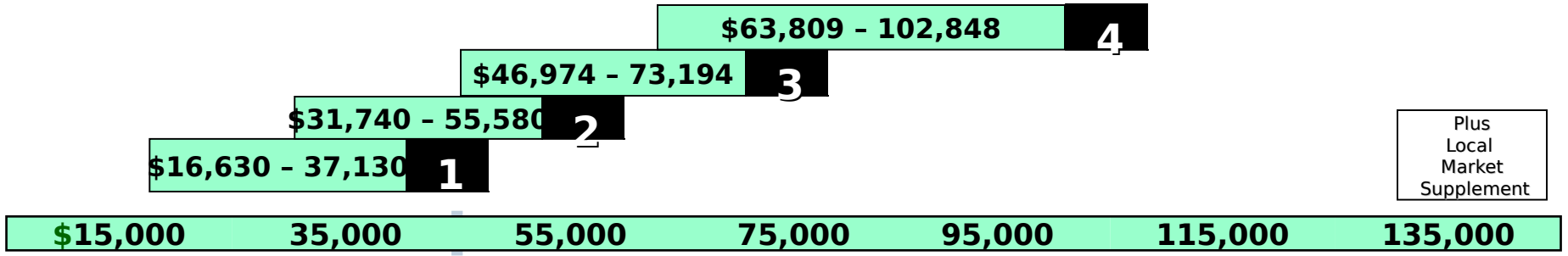
Investigative

Pay Schedule: YK



Fire Protection

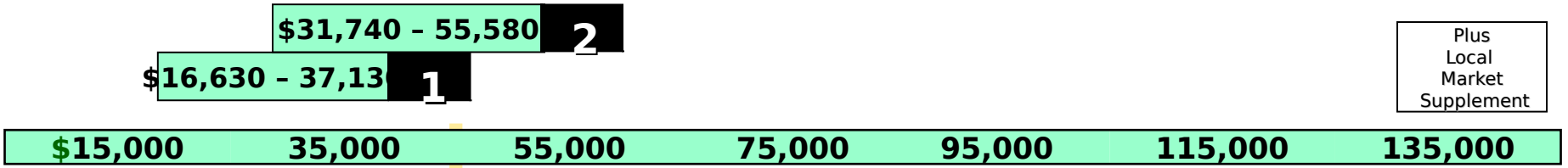
Pay Schedule: YL



Investigative & Protective Services Career Group (cont.)

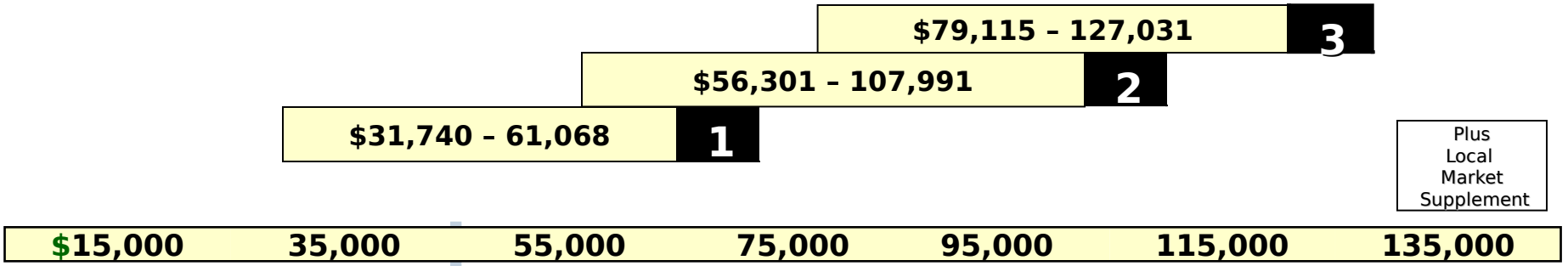
Police/Security Guard

Pay Schedule: YM



Supervisor/Manager

Pay Schedule: YN



Compensation

- **Performance-based – market-sensitive**
  - ✓ Allows adjustments to market – be competitive
  - ✓ Salary increases tie to performance – not time on the job
  - ✓ Largely sunset special rate supplements
- **Move to market-sensitive pay over time**
- **Adjust career group, pay schedule, occupation, pay band, and/or local market supplement pay *differently* than rest of government by exception for now**
  - ✓ Establish analysis capacity

What Constitutes Compensation?

General Schedule

Worldwide Base Rate +

Special Rate Supplement
Based on occupation/ geographic locality

OR

CONUS Locality Pay
All GS employees in covered locality get same %

+ Step Increases

= **Adjusted Salary**

+ Bonuses

Cash Awards

NSPS

Worldwide Base Rate +

Local Market Supplement
Variable by career group, pay schedule, occupation, &/or pay band

Washington = 18.59%

+ Performance Based Pay Adjustment

= **Adjusted Salary**

+ Performance Based Bonuses

Cash Awards

Pay Setting

- **New Appointment/Reappointment**
  - ✓ **Based on GS pay schedule for Spiral 1**

Example: Standard (Professional/Analytical)

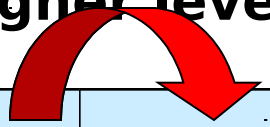
1	2	3
Entry Level/ Developmental	Full Performance Level	Program Manager/Expert
$25,623 – 61,068	**$38,824 – 87,039**	**$ 75,879 – 127,031**

- **Reassignment**
  - ✓ **Voluntary (employee-initiated)**
    - ✓ **limited to 12-month period**
  - ✓ **Voluntary (management-directed) - no time limit**
  - ✓ **Involuntary - up to 10% reduction**

up to 5% increase

Pay Setting

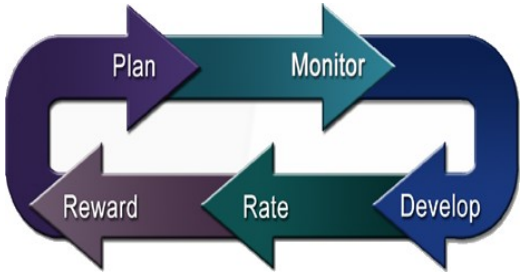
- **Promotion**
  - ✓ **Minimum 6% but generally no more than 20%**
  - ✓ **Higher than 20% requires higher level manager approval**



1	2	3
Entry Level/ Developmental	Full Performance Level	Program Manager/Expert
$ 25,623 – 61,068	**$ 38,824 – 87,039**	**$75,879 – 127,031**

- **Reduction in Band**
  - ✓ **Voluntary - may increase pay up to 5% in 12-month period**
  - ✓ **Involuntary - may reduce pay up to 10%**

Performance Management System



- ✓ Results-oriented, mission-focused
- ✓ Clear and understandable (fair, credible, and transparent)
- ✓ Direct link between pay, performance and mission accomplishment
- ✓ Reflect meaningful distinctions in employee performance
- ✓ Robust (capable of supporting pay decisions)
- ✓ **Job objectives** – the **"What"** – primary focus
- ✓ **Manner of performance** – the **"How"** – contributing factors that influence the objective rating
- ✓ Supervisors are rated on at least one supervisory objective
- ✓ Monitor and develop employees
- ✓ Rate and reward performance

Performance Management 101: Old vs. New

Old (TAPES)

- Ratings based on performance objectives
- Many performance cycles
- Rating scale 1 (top) to 5 (bottom)
- Most employee ratings are level 1 (Army: 81% were level 1 in FY05)
- 120 day minimum rating period
- Senior rater approves ratings

New (NSPS)

- Ratings based on job objectives
- One cycle (1 Oct – 30 Sep)
- Rating scale 5 (top) to 1 (bottom)
- Most employee ratings are anticipated to be level 3 (valued performer)
- 90 day minimum rating period
- Pay Pool Manager approves ratings

Rating Levels

Rating Level	Level of Performance	Performance Description
Level 5	**Role Model**	Almost always meets the standards described by the Role Model benchmarks
Level 4	**Exceeds Expectations**	Almost always meets the standards described by the Valued Performance benchmarks and, typically, but less than almost always meets the standards described by the Role Model benchmarks
Level 3	**Valued Performance**	Almost always meets the standards described by the Valued Performance benchmarks
Level 2	**Fair**	Almost always meets the Valued Performance benchmarks, but only as a result of guidance and assistance considerably above that expected at the Valued Performance level
Level 1	**Unsuccessful**	Performs below the Level 2 rating descriptor or fails the Standard Performance Factor in the performance of a single assignment, where such failure has a significant negative impact on accomplishment of the mission or where a single failure to perform could result in death, injury, breach of security, or great monetary loss

Subject to continuing collaboration

Developing SMART Objectives

SMART is a framework for developing (and evaluating) job objectives:

Specific – Observable action, description of result (not activities)

Measurable – How many, how long, how good, how much

Aligned – Line of sight between employee's work and organizations mission

Realistic/Relevant – Achievable, important to employee and organization

Timed - Point in time when objective will start, or when it will be completed

Requirements for Job Objectives

For managers

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission
- At least one supervisory objective

For employees

- At least 1
- Usually 3 to 5
- Must be weighted
- Linked to mission

- Minimum weight for any one objective is 10%.
- Weight of all objectives must add up to 100%.
- Weights must be assigned in increments of 5%.
- Weights are assigned by the supervisor to each job objective at the beginning of the rating period
- Typically, weights will not change during the rating period

Contributing Factors = "How"

- Select up to 1-2 for each job objective
- Attributes of job performance that are significant to the accomplishment of individual job objectives
- Further defined by "work behaviors" and "benchmark descriptors"
- Standard across DoD
- Described at the "expected" and "enhanced" level

Technical Proficiency

Cooperation

Critical Thinking

Communication

Customer Focus

Resource Management

Leadership

Using Performance Indicators to Assess Performance

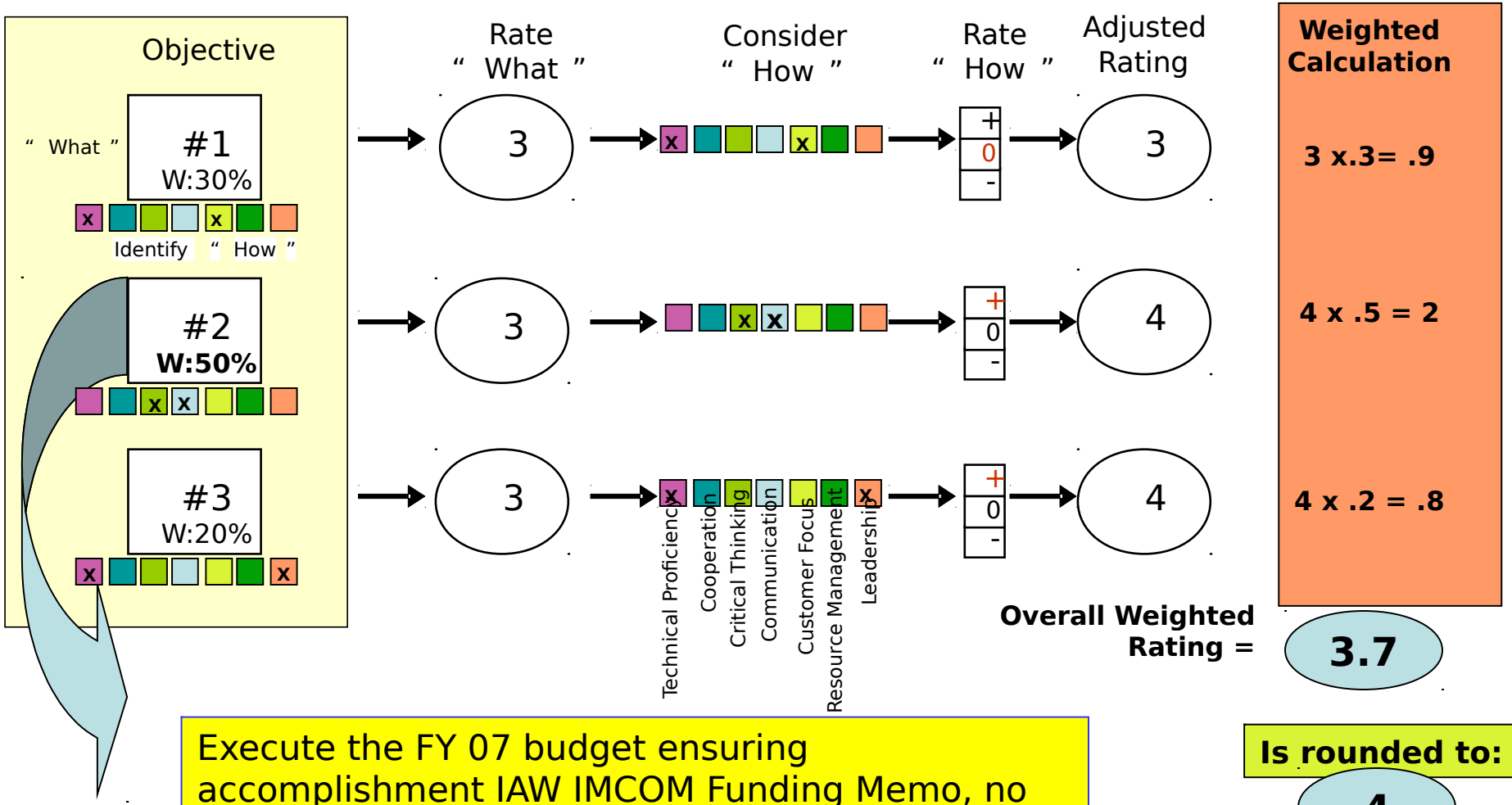
What are Performance Indicators?

- Descriptions of levels or thresholds of employee performance.
- Applied in the rating of job objectives
- Standardized across the DoD
- Arranged by Pay Schedule (Professional / Analytical, Technician / Support, Supervisory) and Pay Band
- Benchmarks defined at Level 3 and Level 5 performance

Performance Indicators

Performance Indicators Standard Career Group, Pay Band 2	
Level 3	**Level 5 *(Additions at this level)***
• **Effectively delivered an objective with broad and significant impact that was in alignment with the mission and objectives of the organization as well as applicable authorities, standards, policies, procedures, and guidelines.** • **Established priorities and coordinated work across projects, programs, or people, effectively balancing competing work demands and anticipating and overcoming difficult obstacles to achieve a timely and positive outcome.** • **Provided clear guidance to others by translating organizational vision and goals into concrete objectives, strategies, plans, priorities, and assignments; coordinated work activities and proactively monitored progress to ensure that the goals were achieved.** • **Achieved expected results by effectively carrying out all established supervisory responsibilities**	• **Contributed business results beyond what was expected; results were far superior in quality, quantity, and/or impact to the stated objective.** • **Supervisory contributions were exemplary and the results achieved went well beyond what was expected in terms of quality, quantity, timeliness and/or impact.** • **Proactive and innovative in instituting measures to foster increased productivity, safety and harmonious relations within the workplace. Accomplishments and outcomes were of such magnitude that they contributed to the organization exceeding its mission goals and objectives for**

Performance Management



Execute the FY 07 budget ensuring accomplishment IAW IMCOM Funding Memo, no ADA violations and a successful year end closeout, by 30 September 2007

Reward Employee Performance

Performance Impacts More than Performance-Based Pay

Rating	Shares	Employees Are Eligible To Receive
5	5 – 6	✓ **Performance-based Pay Increase or** ✓ **Performance-based Cash Bonus or** ✓ **Combination of Pay Increase and Bonus** ✓ **Rate Range Adjustment** ✓ **Local Market Supplement**
4	3 – 4	
3	1 - 2	
2	No Share	✓ **Rate Range Adjustment** ✓ **Local Market Supplement**
1	No Share	✓ **No Increases**

NSPS Performance Rating and Rewarding Process

Employee Completes Written Self-Assessment

Supervisor Completes Written Supervisor Assessment

Supervisor Recommendation to 2nd Level Reviewer

Rating of Record
# of Shares
Payout Distribution

Other Input

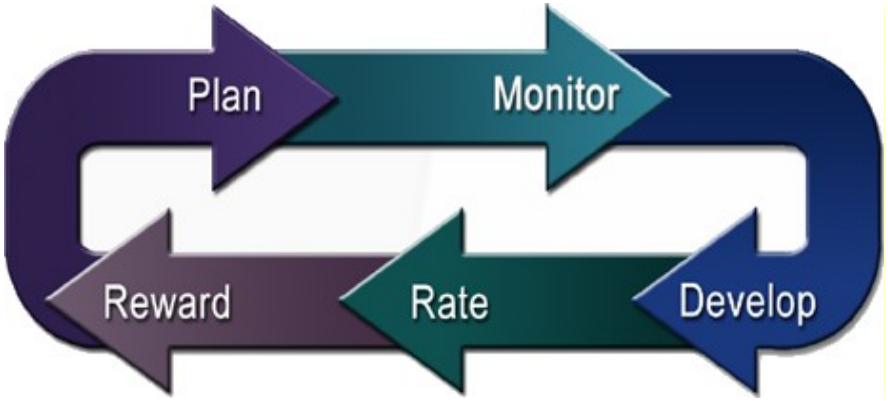
2nd Level Reviewer Recommendation to Pay Pool Panel

Pay Pool Panel Reconciles Recommendations

Pay Pool Manager Authorizes Rating and Payout

Supervisor provides feedback to employee

Roles and Responsibilities outlined in Implementing Issuances

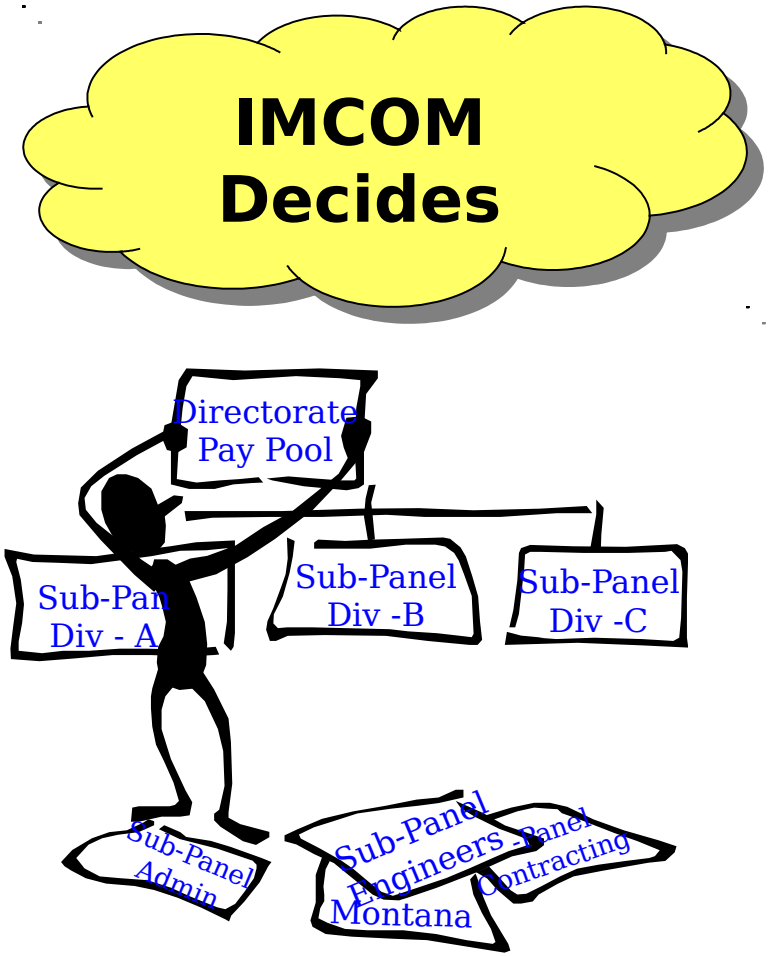


Why Pay Pools are Important

- Provides mechanism for ensuring multi-level accountability and responsibility
- Ensures decisions regarding compensation and rewards receive higher level review
- Provides transparency
- Validates decisions made at the individual level within the context of organization and mission
- Preserves the integrity of the performance management system

Pay Pool Structure

- Could be along organizational lines
- Or by function
  - Career Groups
  - Pay Bands
  - Occupation
- Or by geographic location
- Or by workforce
- Or a combination
- Pay Pool Size Range 35 to 150



Army: Separate pay pools for supervisors and employees whenever possible

NSPS Performance Rewards

PAY POOL

Performance-based Base Pay Increa
Performance-based Cash Bonus
Rate Range Adjustment
Local Market Supplement

Pay for Developmental Employ

Accelerated Compensation for Developmental Positions (ACDP)

Discretionary Pay

Extra Pay Increase (EPI)

Organizational / Team Achievement Recognition (OAR)

Incentive Awards

Special Act
On-the-Spot
Time Off

Staffing & Workforce Shaping

- **Staffing**
  - ✓ Right person –right place – right time
    - Develop capabilities to meet tomorrow's threats
  - ✓ Appointing authority for DoD
  - ✓ Easily hire for critical needs
  - ✓ Pay flexibility
    - Obtain and keep talent for mission needs
    - Be competitive
- **Work Force Shaping**
  - ✓ Streamlined, mission responsive
  - ✓ Performance based
  - ✓ Less disruptive to employees and mission
- **Honor Veterans' Preference**

NSPS Training (Preparatory)*

Who	What	Length	Remarks
Trainers	NSPS Train the Trainer (T3)	40 hrs	Spaces allocated by HQ IMA
Transition Managers	Transition Manager Training	20 hrs	Spaces allocated by HQ IMA
All non bargaining unit employees	NSPS Workforce Briefings (Town Hall)	1 hr	Overview and interchange on NSPS Implementation

* Training/orientation to build capability and inform workforce on NSPS requirements

NSPS Training (Mandatory)*

Who	What	Length	Remarks
All non bargaining unit employees	NSPS 101	1.5 hr	Online
All non bargaining unit employees	Performance Management HR System Elements for employees	8 hrs	CHRA and Garrison trainers
All Managers/ Supervisors	Performance Management & HR System Elements for managers/supervisors and employees	16 hrs	CHRA and Garrison trainers
Pay Pool Mgrs/ Pay Pool	Pay Pool Mgt Course	4 hrs	CHRA trainers w/ IMA

NSPS Training (Supervisor discretion)

Who	What	Length	Remarks
All non bargaining unit employees	**Core Competency Training** - Change Management - Interpersonal Communications -Coaching and Counseling - Performance Management	Varies - Self paced	Online Important skills for effective NSPS implementation
All non bargaining unit employees	NSPS Tutorial – for Establishing Performance Management Plan	1 hr	Online Useful tool to familiarize workforce with the NSPS automated Performance Management Application

Available Learning Materials

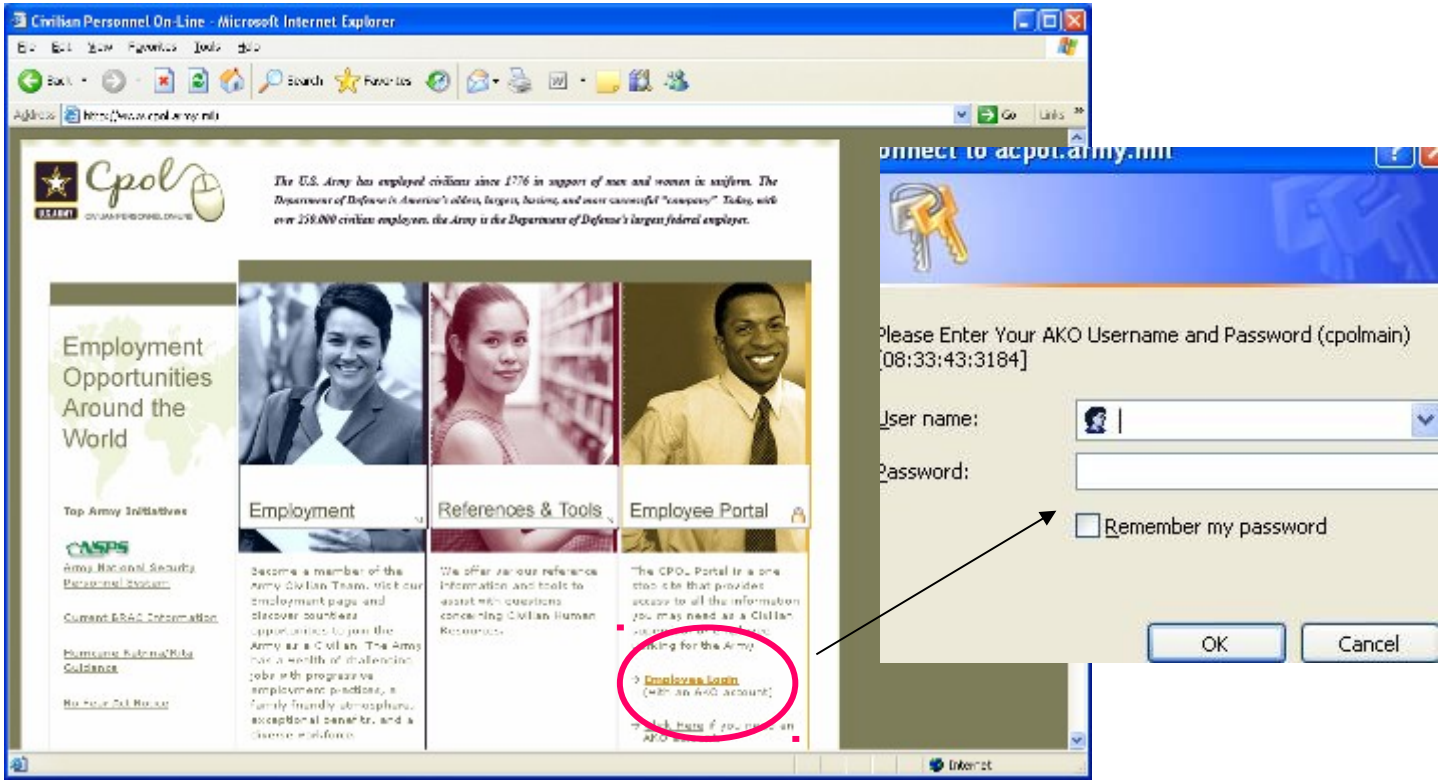
- **Web-based**
  - ✓ NSPS 101 With Conversion Calculator
  - ✓ HR Elements for Managers, Supervisors, and Employees - a Guide for NSPS for Spiral 1.1 Employees
  - ✓ NSPS Fundamentals
  - ✓ Brochures
    - Communicating with Your Staff
    - Role of the HR Practitioner
    - Communicating with Your Supervisor
    - Helping Organizations Thrive Under NSPS
    - Focus on Performance for Managers
    - Focus on Performance for Employees
    - Pay Pool Process at a Glance
- **Hand-outs**
  - ✓ NSPS: A Roadmap for Leading Change
  - ✓ 7 Ways for Supervisors to Get Ready for NSPS
  - ✓ 6 Ways for Employees to Get Ready for NSPS
- **Video**

NSPS Websites

- Army NSPS website:
  http://cpol.army.mil/library/general/nsps/
- OSD NSPS website:
  http://www.cpms.osd.mil/nsps/
- NSPS 101 website:
  http://www.cpms.osd.mil/nsps/nsps101/nsps/index.htm
- Army NSPS training website:
  http://www.chra.army.mil/NSPS-training/index.htm
- NSPS Readiness Tool website:
  https://macbeth.cpms.osd.mil/

Accessing *My Biz?*

- Log into the Army Portal using your AKO UserID and Password or your CAC (http://www.cpol.army.mil)



Summary

- A modern, flexible, and agile human resources system
  - ✓ Responsive to the national security environment
  - ✓ Preserves employee protections and benefits

- Stimulates an environment where employees are encouraged to excel, challenged with meaningful work, and recognized for contributions
  - ✓ Transitions to a culture where feedback and coaching is essential
  - ✓ Encourages employees to take ownership of their performance and successes

"NSPS is a win-win-win system… a win for our employees, a win for our military and a win for our Nation."

Honorable Gordon R. England
NSPS Senior Executive

QUESTIONS?

INSTALLATION MANAGEMENT COMMAND

SUSTAIN, SUPPORT, DEFEND

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